

State of California

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Legislative Change No.

02-20

Bill Number: AB 2036

Author: Liu

Chapter Number: 02-20

Laws Affecting Franchise Tax Board: Revenue and Taxation Code Sections 18711, 18712, 18713, 18714, 18715, and 18716

Date Filed with the Secretary of the State: September 18, 2002

SUBJECT: State Children's Trust Fund

Assembly Bill 2036 (Liu), as enacted on September 18, 2002, made the following changes to California law:

Section 18711 of the Revenue and Taxation Code is added.

This act allows taxpayers to designate their own money, not tax liability, to the State Children's Trust Fund ("fund"). The contributions would be made in full dollar amounts. Each signatory on a joint return may make the contributions individually. The designations for any taxable year must be made on the initial return for the taxable year and, once made, are irrevocable. If an individual designates to more than one fund and an insufficient amount is available to satisfy the total amount designated, the contribution will be allocated among the designees on a pro rata basis. A deduction will be allowed for any contribution made.

This act requires the Franchise Tax Board (FTB) to include a designation space for the fund on the individual tax return.

Section 18712 of the Revenue and Taxation Code is added.

This act requires FTB to notify the Controller of both the amount of money paid by taxpayers in excess of their tax liability and the amount of refund money taxpayers have designated to the fund.

The Controller is required to transfer from the Personal Income Tax Fund to the fund an amount not in excess of the amounts reported by FTB.

Section 18713 of the Revenue and Taxation Code is added.

This act requires that all money transferred to the fund be allocated, upon appropriation by the Legislature, first to FTB and the Controller for reimbursement of costs incurred performing their duties related to the fund. The remaining money is then allocated to the State Department of Social Services for innovative child abuse and neglect prevention and intervention programs operated by private, nonprofit organizations or public institutions of higher education and for evaluation, research, or dissemination of information concerning existing program models.

Bureau Director

Roger Lackey

Date

October 8, 2002

Section 18714 of the Revenue and Taxation Code is added.

This act specifies that the intent of the Legislature is to create an additional funding source for the State Children's Trust Fund for a specified purpose.

Section 18715 of the Revenue and Taxation Code is added.

This act applies to returns for taxable years beginning on or after January 1, 2002.

Section 18716 of the Revenue and Taxation Code is added.

This act specifies that the provisions authorizing the fund shall remain in effect until January 1, 2008, and are repealed as of that date, unless a later enacted statute, enacted prior to January 1, 2008, deletes or extends that date.

If FTB estimates in any calendar year that contributions made to the fund on returns filed in that calendar year will be less than \$250,000 for taxable years beginning in 2002, or the adjusted amount for subsequent years, this article is repealed for taxable years beginning on or after January 1 of that calendar year. FTB is required to estimate the annual contribution amount by September 1 of each year using actual amounts contributed and an estimated contribution amount for the remainder of the year.

For each calendar year beginning with 2003, the minimum estimated contribution amount for the calendar year is adjusted for inflation based on the figures for the percentage change in the California Consumer Price Index received on or before August 1st of the calendar year.

This act is effective January 1, 2003.

This act will not require any reports by the department to the Legislature.